

SENATE BILL 1809
By Herron

AN ACT to enact the "Tennessee Lobbyist Registration and Disclosure Act of 2005" and to amend Tennessee Code Annotated, Title 3, Chapter 6, relative to the registration and activities of lobbyists.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 3-6-101, is amended by deleting the section in its entirety and by substituting instead the following language:

The title of this act is, and may be cited as, the "Tennessee Lobbyist Registration and Disclosure Act of 2005".

SECTION 2. Tennessee Code Annotated, Section 3-6-102, is amended by deleting the section in its entirety and by substituting instead the following language:

As used in this act, unless the context otherwise requires:

(1) "Administrative action" means the taking of any recommendation, report or nonministerial action, the making of any decision or taking any action to postpone any action or decision, action of the governor in approving or vetoing any bill or resolution, the promulgation of a rule or regulation, or any action of a quasi-legislative nature, by an official in the executive branch;

(2) "Association" means a union, league, chamber of commerce, committee, club, or other membership organization;

(3) "Attorney general" means the attorney general and reporter;

(4) "Candidate for public office" means an individual who has made a formal announcement of candidacy or qualified under the law of this state to seek nomination for election or elections to any state public office, or has received contributions or made

expenditures except for incidental expenditures to determine if one shall be a candidate, or has given consent for a campaign committee to receive contributions or make expenditures with a view to bringing about such person's nomination for election or the election to state public office, and any individual who has been nominated for appointment as an official in the legislative or executive branch;

(5) "Client" means a person, partnership, committee, association, corporation, labor organization or any other organization or group of persons;

(6) "Compensation" means any salary received or to be received by anyone acting as a lobbyist, whether in the form of a fee or salary, and any combination thereof. "Compensation" does not include the salary of an individual whose lobbying is incidental to such person's regular employment;

(7) "Employer of a lobbyist" means any person or entity that employs or retains another person to lobby. In the event that a corporation, labor organization, or membership organization employs or retains a person to lobby, employees, officers, directors, or members of such entity shall not be deemed to be an employer of such lobbyist;

(8) "Executive agency" means a commission, board, agency, or other body in the executive branch of the state government and any independent body of the state government that is not a part of the legislative or judicial branch;

(9) "Expenditure" means any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, pledge, or subscription of money or anything of value, and any contract, agreement, promise, or other obligation, whether or not legally enforceable, to make an expenditure;

(10) "Gift" means a payment, honorarium, subscription, loan, advance, forbearance, rendering or deposit of money or services, unless consideration of equal or

greater value is received. "Gift" does not include a political contribution otherwise reported as required by law, a commercially reasonable loan made in the ordinary course of business, or a gift received from a member of the person's immediate family or from a relative within the third degree of consanguinity of the person or of the person's spouse, or from the spouse of any such relative;

(11) "Immediate family" means a spouse or minor child living in the household;

(12) "Influencing legislative or administrative action" means promoting, supporting, influencing, modifying, opposing or delaying any legislative or administrative action by any means, including, but not limited to, the provision or use of information, statistics, studies, or analyses, but not including the furnishing of information, statistics, studies, or analyses requested by an official of the legislative or executive branch to such official or the giving of testimony by an individual testifying at an official hearing conducted by officials of the legislative or executive branch;

(13) "Legislative action" means introduction, sponsorship, debate, voting or any other nonministerial official action or nonaction on any bill, resolution, amendment, nomination, appointment, report or any other matter pending or proposed in a legislative committee or in either house of the general assembly;

(14) "Lobby" means to communicate, directly or indirectly, with any official in the legislative branch or executive branch, for pay or for any consideration, for the purpose of influencing any legislative action or administrative action;

(15) "Lobbyist" means any person who engages in lobbying;

(16) "Ministerial action" means an action that a person performs in a prescribed manner in obedience to the mandate of legal authority, without regard to, or the exercise of, such person's own judgment upon the propriety of the action being taken;

(17) "Official in the executive branch" means the governor, any member of the governor's staff, any member or employee of a state regulatory commission, including, without limitation, directors of the Tennessee regulatory authority, or any member or employee of any executive department or agency or other state body in the executive branch;

(18) "Official in the legislative branch" means any member, member-elect, any staff person or employee of the general assembly or any member of a commission established by and responsible to the general assembly or either house thereof who takes legislative action. "Official in the legislative branch" also includes the secretary of state, treasurer, and comptroller of the treasury and any employee of such offices;

(19) "Political contribution" means any amount of more than one hundred dollars (\$100) in the form of an advance, conveyance, deposit, distribution, transfer of funds, loan, payment, pledge, purchase of a ticket to a testimonial or similar fund-raising event, or subscription of money or anything of value, in connection with a political campaign and any contract, agreement, promise, or other obligation, whether or not legally enforceable, to make a political contribution; however, "political contribution" does not mean volunteer services or personal expenses;

(20) "Registry of election finance" means the entity created by § 2-10-203; and

(21) "Solicit" means to entreat, to implore, to ask, to attempt, or to try to obtain.

SECTION 3. Tennessee Code Annotated, Section 3-6-103, is amended by deleting the section in its entirety and by substituting instead the following language:

(a) This chapter shall be administered by the registry of election finance. It is the duty of the registry of election finance to:

(1) Prescribe forms for statements, reports and other information required to be filed by this chapter, and furnish such forms to persons required to file such statements, reports and information;

(2) Require a person to submit information pursuant to the requirements of this chapter;

(3) Prepare and publish a manual setting forth prescribed forms and procedures to assist persons required to file statements by this chapter;

(4) Preserve such statements, reports and other information required to be filed by this chapter for a period of five (5) years from date of receipt;

(5) Develop a filing, coding and cross-indexing system consonant with the purposes of this chapter;

(6) Seek from the attorney general and reporter, issue, and publish, upon proper request from any lobbyist or public official, advisory opinions upon the requirements of this chapter;

(7) Accept and file any information voluntarily supplied that exceeds the requirements of this chapter;

(8) Make statements and other information filed with the registry available for public inspection and copying during regular office hours, and make copying facilities available at a charge not to exceed actual cost;

(9) Prepare and publish an annual report to the governor regarding the effectiveness of this chapter;

(10) Promulgate any rules and regulations as may be appropriate for the administration of this chapter; provided, that such rules and regulations shall be adopted as provided for in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5:

(11) Utilize the range of powers and penalties authorized by the Public Acts 1989, ch. 585;

(12) Publish quarterly a listing of all lobbyists and employers of lobbyists in Tennessee;

(13) Operate a web site or contract for the operation of a web site that allows public access to reports, copies of reports, or copies of data and information submitted in reports filed with the registry of election finance or presented to the governor pursuant to this chapter;

(14) Make available to lobbyists at no charge an electronic filing alternative for submitting reports and registration information filed pursuant to this chapter, including filing by diskette, modem satellite, the Internet, or other electronic means;

(15) Issue photo identification cards to the lobbyist upon initial registration and re-issue photo identification cards to the lobbyist before January 10th of each succeeding year;

(16) Conduct periodic reviews of reports filed to assess the level of compliance with the disclosure requirements of this chapter; and

(17) Conduct audits of records belonging to a lobbyist if the lobbyist fails to comply with the disclosure requirements of this chapter. The audit shall be limited to the scope of lobbying and may only be pursued to verify the accuracy of information provided by the lobbyist to the registry of election finance.

SECTION 4. Tennessee Code Annotated, Section 3-6-104, is amended by deleting the section in its entirety and by substituting instead the following language:

(a)

(1) Every person qualifying as a lobbyist under this chapter shall register by filing a form prescribed by the registry of election finance within five (5) days after becoming a lobbyist.

(2) Any person who registers as a lobbyist shall furnish written proof of such person's authority to lobby on behalf of each employer to the registry of election finance before lobbying.

(3) When a person registers, the provisions of § 3-6-114 shall apply to such lobbyist for the remainder of the registration year.

(b) Notwithstanding any other provision of law to the contrary, a registered lobbyist shall pay an annual filing fee of one hundred dollars (\$100). At the time of registration, the lobbyist shall pay an additional annual filing fee of thirty-five dollars (\$35.00) for each client by whom the lobbyist is hired. Any lobbyist who is an official of a state educational institution shall register but shall be exempt from such fee. All fees collected by the registry of election finance under the provisions of this section shall be retained by the registry of election finance and used for part of the operating expenses to administer the provisions of this chapter, including the payment of salaries to employees, the purchase of supplies, and any other necessary expense incident thereto.

(c) The registration year shall run from January 1 through December 31.

(d) A person need not register with the registry of election finance pursuant to this section if the person is:

(1) A public official performing the duties of the office;

(2) A person, or a duly licensed attorney at law acting in a representative capacity on behalf of a client, appearing before an official in the executive branch for the purpose of determining or obtaining such person's legal rights and

obligations by presenting evidence, making oral arguments, or submitting written briefs to the official; or

(3) An editor or working member of the press, radio or television who in the ordinary course of business disseminates news or editorial comment to the general public.

(e) Registration is required if such person engages in lobbying that would directly or specifically benefit the economic, business, or professional interest of such person or the person's employer.

(f) Registration may also be accomplished by paying the required fee and providing a facsimile copy of a completed registration form required by the registry of election finance.

(g)

(1) Effective with the occupational privilege tax due and payable June 1, 1997, a person who engages in lobbying without pay or any consideration or who engages in lobbying and receives only reimbursement for actual out-of-pocket personal expenses shall not be levied the occupational privilege tax on lobbyists imposed by §67-4-1702(a)(1). For purposes of this subsection (g), "out-of-pocket personal expenses" include such things as the lobby registration fee, legislative information services material, copying expenses, transportation, parking fees and food incurred while actually engaged in lobbying. Transportation, parking fees, and food shall be limited to the expenses allowed for such items in the comprehensive state travel regulations. No such reimbursed expenses shall be for the benefit of any public official except informational materials as provided for in § 3-6-114(b)(2) and all persons covered by this subsection (g) shall comply with all provisions of this chapter.

(2) The provisions of subdivision (g)(1) shall have retroactive application to those lobbyists to whom subdivision (g)(1) applied for the privilege tax that was due and payable June 1, 1997. It is the legislative intent that no such privilege tax shall be levied against nor collected from such persons nor shall any penalty or interest be assessed for failure to file such tax by June 1, 1997. Any tax due and payable on such date which has been paid by such a lobbyist prior to May 6, 1998, shall be refunded to such person upon an application for a refund being filed by such person with the department of revenue.

(h) Notwithstanding any other provision of law to the contrary, the registry of election finance shall create a form for persons to register as volunteer lobbyists and shall maintain a volunteer lobbyist list that shall be posted on its web site. A person shall not be required to pay a fee for registering as a volunteer lobbyist.

SECTION 5. Tennessee Code Annotated, Section 3-6-105, is amended by deleting the section in its entirety and by substituting instead the following language:

(a) The registration shall be written and shall contain the following information:

(1) The lobbyist's name and business address;

(2) The name and address of each client for whom such lobbyist registers;

(3) The name, bill number, or brief description of the legislative action for which the registrant lobbies, including, if known and where appropriate, the general categories of subject matters on which the registrant lobbies; and

(4) A recent photo of the lobbyist.

(b) Each individual registered as a lobbyist shall file a supplementary report with the registry of election finance at the end of the registration year to cover the period from the date provided in §3-6-106(a) to December 31. Such report shall be filed no later

than January 31 of the following year, and shall, in addition to the lobbyist's lobbying activities, include a complete description of any information which has changed from the information supplied in the lobbyist's last registration form or last report.

(c) In addition to all other requirements of the law, after the filing of any registration required by §3-6-104, if a lobbyist is engaged by any new employer for a fee which is not disclosed on the lobbyist's current registration statement, the lobbyist shall file with the registry a report identifying any such new employer within five (5) days of the new engagement.

SECTION 6. Tennessee Code Annotated, Section 3-6-106, is amended by deleting the section in its entirety and by substituting instead the following language:

(a) Every person registered under this chapter shall file with the registry of election finance a signed report concerning the person's lobbying activities. The report shall be made under oath and shall contain a statement that a false statement on the report is subject to the penalties of perjury. A report shall be filed through June 30, or through the day following the end of the regular annual session of the general assembly, whichever is later. Such report shall be filed not later than thirty (30) days after such date.

(b) Such report shall be written and shall contain the following:

(1) A report detailing the extent of any direct business arrangement or partnership with any candidate for public office and any official in the legislative or executive branch; provided, that this requirement does not apply to such arrangement or partnership entered into prior to July 1, 1975;

(2) An itemized list by date, beneficiary, amount, and circumstance of the transaction of each political contribution of more than one hundred dollars (\$100) made by the registrant or anyone acting at the specific direction of the registrant

to benefit a candidate for public office, an official in the legislative branch, or an official in the executive branch; and

(3) The totals of all expenditures for lobbying activities made or incurred by the lobbyist or on behalf of the lobbyist by the lobbyist's employer during the period covered by the report. The lobbyist shall segregate the totals according to financial category: including compensation; food and refreshments; advertising; travel; political contributions and other expenses or services. The lobbyist shall identify each expenditure of more than twenty-five dollars (\$25) for food, refreshments, meals, foodstuffs, entertainment beverages, or entertainment by date, place, amount, and the names of all persons present. The lobbyist shall include amounts actually expended on each person where calculable.

(c) Any person providing funds to make a gift or expenditure other than a political contribution for the purpose of lobbying shall comply with the reporting requirements of this section whenever the purpose of such funds is to assist indirectly an official of the executive or legislative or judicial branch or any state educational institution to lobby a specific program or programs on which legislative action is pending. Such person shall also report the source and amount of the funds from which such gift or expenditure is made.

(d) Lobbyists are not required to report the following:

- (1) Expenses incurred for the lobbyist's living accommodations;
- (2) Expenses incurred for the lobbyist's travel to and from official meetings and endeavors concerning state business; and
- (3) Expenses incurred for telephone and office expenses, including rent, computers, wireless communication devices, and salaries and wages paid for staff and secretarial assistance.

(e) In the case of a lobbyist employed by more than one employer, the lobbyist shall include the proportionate amount of such expenditures in each category incurred on behalf of each of the lobbyist's employers.

(f) When the employer of a lobbyist makes a gift or an expenditure to an official in the legislative branch and the lobbyist has no prior actual knowledge of such gift or expenditure, such lobbyist shall not be responsible for including such gift or expenditure in the reports required by this chapter.

SECTION 7. Tennessee Code Annotated, Section 3-6-108, is amended by deleting the section in its entirety and by substituting instead the following language:

(a) No lobbyist or anyone acting at the specific direction of a lobbyist shall offer or attempt to offer anything of value to an official in the legislative or executive branch or to such official's immediate family based on any stated or tacit understanding that the official's vote, official action or judgment would be influenced thereby.

(b) No lobbyist shall knowingly or willfully make or cause to be made any false statement or misrepresentation of the facts concerning any matter for which such lobbyist is registered to lobby to any official in the legislative or executive branch.

(c) No lobbyist shall deceive or attempt to deceive any person as to any fact pertaining to proposed legislation.

(d) No official in the legislative or executive branch or a member of such official's staff or immediate family shall solicit or accept anything of value in violation of subsection (a).

(e) No lobbyist shall make a loan of money to any candidate for public office official in the legislative or executive branch, or to anyone on their behalf.

(f) No candidate for public office, official in the legislative or executive branch or a member of such official's staff or immediate family shall solicit or accept a loan in violation of subsection (d).

(g) No lobbyist or anyone acting at the direction of a lobbyist shall pay or agree to pay an official in the legislative or executive branch compensation for property or services substantially in excess of that charged in the ordinary course of business.

(h) No lobbyist or anyone acting at the direction of a lobbyist shall permit an official in the legislative or executive branch or a staff member or a member of the official's immediate family to use the lobbyist's credit or credit card or that of a lobbyist's employer or any other credit or credit card over which the lobbyist has control, unless the lobbyist attends the meal or other activity in which the official, staff member, or immediate family member participates.

(i) No lobbyist or anyone acting at the direction of a lobbyist shall pay the hotel expenses of an official in the legislative branch if the official receives an expense allowance under § 3-1-106.

(j) No lobbyist, employer of a lobbyist or multicandidate political campaign committee controlled by a lobbyist or employer of a lobbyist shall make a contribution to a candidate for the office of governor or member of the general assembly during the time that the general assembly is in a regular annual legislative session.

(k) For the purpose of providing security of one's employment as a lobbyist, no lobbyist shall cause or influence the introduction of a bill or amendment, the sole purpose of which action is to secure its defeat of such bill or amendment.

(l) A lobbyist may not exercise any undue influence, extortion, or unlawful retaliation upon any legislator with respect to the legislator's vote upon any proposed legislation.

SECTION 8. Tennessee Code Annotated, Section 3-6-110, is amended by deleting the section in its entirety and by substituting instead the following language:

(a)

(1) Any registrant who fails to file any activity report or who files an incomplete activity report required by this chapter shall be notified by the registry of election finance and shall have ten (10) days after such notice in which to comply. If such report is not filed within such period, the registration of the lobbyist shall be suspended. Such registrant shall not be reinstated or permitted to register as a lobbyist until such report is filed.

(2) If such registrant fails to file such report, then the person for whom such registrant has been a lobbyist shall file a report for such period. Provided, that the filing of the report by the person for whom such registrant has been a lobbyist shall not constitute compliance with the requirements of subsection (a)(1) for purposes of reinstatement or registration of the registrant.

(b) The registry shall also be empowered to:

(1) Assess a civil penalty for the late filing of a registration or activity report of one hundred dollars (\$100.00) per day up to a maximum of fifteen hundred dollars (\$1500.00). If a lobbyist wants to contest or seek a reduction of a civil penalty assessed under this subdivision (b)(1), the lobbyist shall file a petition with the registry which shall be considered a contested case proceeding pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5;

(2) Assess a civil penalty for any other violation of this chapter up to a maximum of ten thousand dollars (\$10,000) per violation except that the registry for a violation of § 3-6-114 may only assess a civil penalty up to two hundred

percent (200%) of the value of any gift or twenty-five dollars (\$25.00), whichever is greater. For any second or subsequent violation of §3-6-114 by the same person, the registry shall be empowered in the alternative to impose any other penalty contained in this subdivision (b)(2) and subdivision (b)(3). If a lobbyist wants to contest or seek a reduction of a civil penalty assessed under this subdivision (b)(2), the lobbyist shall file a petition with the registry which shall be considered a contested case proceeding pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5 and

(3) Refer any willful or fraudulent violation of this chapter to the district attorney general of the district where the alleged violator is a resident for prosecution as a Class C misdemeanor.

(c) In addition to all other powers granted to the registry of election finance, the registry has the authority to suspend the registration of a lobbyist and suspend any person from the privilege of lobbying if that lobbyist or person is found by the registry to have violated the provisions of § 3-6-105(c) or § 3-6-104 relative to the requirements of disclosure of the identity of any employer for a fee or to have violated the provisions of § 3-6-114 two (2) or more times. The period of suspension may be for such period of time as the registry deems appropriate, but the period of suspension shall not exceed two (2) years.

SECTION 9. Tennessee Code Annotated, Section 3-6-111, is amended by deleting the section in its entirety and by substituting instead the following language:

A lobbyist may not enter into an employment agreement wherein the fee to be paid the lobbyist is contingent upon passage, modification, or defeat of a legislative proposal.

SECTION 10. Tennessee Code Annotated, Section 3-6-113, is amended by deleting the section in its entirety and by substituting instead the following language

Any person who engages in lobbying beyond personal or occasional petition without pay or any consideration, or is not required to register pursuant to § 3-6-104, is encouraged to register with the registry of election finance in accordance with this section. Any person who so registers shall comply with all provisions of this chapter, except the registration fee shall be thirty-five dollars (\$35.00) regardless of any amendments to §3-6-104. In addition, such registrant shall not be levied the privilege tax on lobbyists imposed by title 67, chapter 4, part 17.

SECTION 11. Tennessee Code Annotated, Section 3-6-114, is amended by deleting the section in its entirety and by substituting instead the following language:

(a)

(1) No lobbyist or employer of a lobbyist may provide a gift, directly or indirectly, to a candidate for public office, official in the legislative branch, official in the executive branch, or immediate family of such candidate or official.

(2) A candidate for public office, an official in the legislative branch, or an official in the executive branch, or immediate family of such candidate or official may not solicit or accept directly or indirectly a gift from a lobbyist or an employer of a lobbyist.

(b) The following are not subject to the prohibition in subsection (a):

(1) Benefits resulting from business, employment, or other outside activities of a candidate or official or the immediate family of a candidate or official, if such benefits are customarily provided to others in similar circumstances and are not enhanced due to the status of the candidate or official;

(2) Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication;

(3) A gift given by an individual if the gift is given for a nonbusiness purpose and is motivated by a close personal friendship and not by the position of the candidate or official:

(A) A gift shall not be considered to be given for a nonbusiness purpose if the individual giving the gift seeks:

(i) To deduct the value of such gift as a business expense on the individual's federal income tax return; or

(ii) Direct or indirect reimbursement or any other compensation for the value of the gift from a client or employer.

(B) In determining if the giving of a gift is motivated by a close personal friendship, at least the following factors shall be considered:

(i) The history of the relationship between the individual giving the gift and the recipient of the gift, including whether or not gifts have previously been exchanged by such individuals;

(ii) Whether the gift was purchased by the individual who gave the item; and

(iii) Whether the individual who gave the gift also gave the same or similar gifts to other candidates, officials, or their immediate family at the same time.

(4) Sample merchandise, promotional items, and appreciation tokens, if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business;

(5) Unsolicited tokens or awards of appreciation, honorary degrees, or bona fide awards in recognition of public service in the form of a plaque, trophy, desk item, wall memento and similar items; provided, that any such item shall not be in a form which can be readily converted to cash;

(6) Opportunities and benefits made available to all members of an appropriate class of the general public, including but not limited to:

(A) Discounts afforded to the general public or specified groups or occupations under normal business conditions except that such discounts may not be based on the status of the candidate or official;

(B) Prizes and awards given in public contests; and

(C) Benefits of participation in events held within the state and sponsored by, or for the benefit of, charitable organizations as defined in §48-101-501(1); provided, that such events must be open to participation by persons other than candidates, officials or their immediate family and any benefits received must not be enhanced due to the status of the candidate or official, or provided that invitations are extended to the entire membership of the general assembly;

(7) Tickets to athletic events involving teams representing in-state schools, colleges and universities or to other events sponsored by such institutions, if offered by the involved institution, and benefits of attendance at political events or fundraisers sponsored by candidates for public office or other political organizations, and/or tickets to charitable, cultural, educational or political events held within the state, when customarily provided as a courtesy to all candidates for an office or public officials of similar rank in the event's jurisdiction;

(8)

(A) Expenses for out of state travel, if such travel is paid for, reimbursed, or sponsored by a government or an association of elected government officials or any other group or association which is an umbrella organization for public officials;

(B) Entertainment, food, refreshments, meals, health screenings, amenities, foodstuffs or beverages that are provided in connection with a conference, if the conference is sponsored by an established or recognized association of elected state government officials, staff of elected state government officials or both officials and staff, or any other group or association which is an umbrella organization for such officials, staff, or both officials and staff;

(9)

(A) Food, refreshments, meals, foodstuffs or entertainment beverages that are provided in connection with an event to which invitations are extended to the entire membership of the general assembly or a full committee of either or both houses of the general assembly, provided, that no lobbyist or employer of a lobbyist may provide a gift of food, refreshments, meals, foodstuffs, or entertainment beverages the value of which to the official exceeds twenty-five dollars (\$25.00) per event; and provided further that the value of a gift made pursuant to this subdivision (b)(9)(A) may not be reduced below the monetary limit by dividing the cost of the gift among two (2) or more lobbyists or employers of lobbyists. No lobbyist or an employer of a lobbyist may provide gifts to any person pursuant to this subdivision

(b)(9)(A) that have a cumulative value of more than one hundred dollars (\$100) during a calendar year. This provision shall apply regardless of the number of employers by whom the lobbyist is hired.

(B) In calculating the limits established by subdivision (b)(9)(A), sales tax and gratuity are excluded;

(10) Food, refreshments, meals, foodstuffs, entertainment, beverages or intrastate travel expenses that are provided in connection with an event where the candidate for public office, an official in the legislative branch or an official in the executive branch, or immediate family member of such candidate or official is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which has regular meetings;

(11) Health care services which are provided or rendered on state property and are offered as a courtesy to all officials or employees of the legislative or executive branch; and

(12) Travel expenses for intrastate ground travel for which no fare is ordinarily charged.

(c) Nothing herein shall prohibit a city, county or chamber of commerce from hosting and/or funding an activity where the entire general assembly is invited as a group to a special activity within that governmental entity's jurisdiction. County and municipal groups, and state colleges and universities are exempted from the prohibitions in this section when access to facilities or events which they sponsor is permitted to all members of the general assembly, a standing or statutory committee of either or both houses of the general assembly, or all members whose districts are located within the county of such group, college or university.

(d) A gift made contrary to this section shall not be a violation of this section if the candidate, official or immediate family member does not use the gift and returns it to the donor within the latter of ten (10) days of receipt or ten (10) days of having knowledge that the gift was a violation or pays consideration of equal or greater value within the latter of ten (10) days of receipt or ten (10) days of having knowledge that the gift was a violation.

SECTION 12. Tennessee Code Annotated, Title 3, Chapter 6, Part 1, is amended by adding the following language as a new, appropriately designated section:

(a) The governor, the attorney general, a member of the general assembly, or a commissioner of a state department appointed by the governor may not serve as a lobbyist until at least two (2) years have elapsed from the date on which the official vacated the respective office.

(b) This section applies to the governor and a member of the general assembly who is elected after December 31, 2005. This section applies to a commissioner of a state department or an attorney general appointed after December 31, 2005.

SECTION 13. This act shall take effect June 1, 2006, the public welfare requiring it.